



December 31, 2018

Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Attention: Ms. Kimberly D. Bose, Secretary

Re: Negotiated Rate Agreement Update;
El Paso Natural Gas Company, L.L.C.;
Docket No. RP19-

Commissioners:

El Paso Natural Gas Company, L.L.C. ("EPNG") hereby submits this negotiated rate agreement update to inform the Federal Energy Regulatory Commission ("Commission") of amendments to a previously filed and accepted negotiated rate firm transportation service agreement ("TSA") for the period July 2018 through August 2019. These amendments were the result of secondary discounts applicable to certain alternate point combinations and were effectuated through EPNG's electronic bulletin board ("EBB"). Recently, EPNG became aware of an administrative oversight that resulted in EPNG not submitting such electronic amendments of negotiated rate TSAs for the Commission's review and acceptance. EPNG is submitting this filing to inform the Commission of the filing issue and respectfully request its acceptance of these amendments.

Background

On February 27, 2015, EPNG submitted a filing with multiple agreements between itself and ConocoPhillips Company ("Conoco") for the Commission's review and acceptance ("February Filing"). One of the agreements included with the filing was a non-conforming negotiated rate firm agreement referred to as Agreement No. FT3EA000 (and now referred to as Agreement No. FT3EA000-FT1EPNG). Among other things, this TSA reflected the application of a negotiated rate at various primary and alternate receipt and delivery points. Specifically, Conoco's TSA identified several alternate delivery points including SOCWR, KRAMER, DSCALEHR, IBLYTHE, and INORBAJA which could be nominated on an alternate basis from any available receipt point within the San Juan, Permian, or Anadarko basins. On March 25, 2015, the Commission issued an order accepting the February Filing with an effective date of April 1, 2015.¹

¹ *El Paso Natural Gas Co.*, Docket No. RP15-583-000 (March 25, 2015) (unpublished letter order). On April 15, 2015, EPNG submitted an amendment to Agreement No. FT3EA000 to show that the negotiated rate stated therein was applicable to several alternate delivery points. That filing was accepted on April 30, 2015 in Docket No. RP15-887-000.

Reason for Filing

Discounted Rates

Pursuant to Section 4.17 of the General Terms and Conditions (“GT&C”) of EPNG’s FERC Gas Tariff, EPNG and a shipper may mutually agree at any time to adjust the rates applicable to an individual TSA on a non-discriminatory basis. Further, the discounted rate provisions provide that any discounts granted pursuant to such provisions will not constitute a material deviation from EPNG’s form or service agreement. Additionally, Section 6.7 of the GT&C states that a shipper paying a discounted rate may agree to pay a higher rate, up to the applicable maximum rate, to improve its scheduling priority for an alternate firm transaction prior to the beginning of the scheduling cycle for which the rate charge is applicable.

When an interstate pipeline and a shipper agree to adjust the rates applicable to any individual TSA, the terms of such agreement are posted on the pipeline’s EBB pursuant to 18 C.F.R. § 284.13(b)(1) (2018) of the Commission’s regulations. More specifically, whenever EPNG and one of its shippers agree to a discount on a certain TSA, such discount would be posted to EPNG’s EBB under “Transactional Reporting/Firm.”

Agreement No. FT3EA000-FT1EPNG

In late-July and early-August of 2018, Conoco submitted two separate rate adjustments applicable to certain alternate receipt and delivery point combinations listed on its TSA at that time. EPNG granted both of Conoco’s requests pursuant to Section 4.17 of the GT&C and, in turn, such amendments were reflected on EPNG’s EBB. Specifically, the parties agreed to an incremental transportation rate of \$0.0038 per dekatherm per day for the specific time periods shown below.

Effective Time Period	Alternate Receipt Point(s)	Alternate Delivery Point
7/27/18 – 8/31/18	STML ANA, STML PER, STML SJN	DSCALEHR
8/9/18 – 8/8/19	STML ANA, STML PER, STML SJN	KRAMER
8/9/18 – 8/8/19	STML ANA, STML PER, STML SJN	SOCWR
8/9/18 – 8/8/19	STML ANA, STML PER, STML SJN	IBLYTHE
8/9/18 – 8/8/19	STML ANA, STML PER, STML SJN	INORBAJA

With the granting of these requests, the total daily rate for alternate firm transportation between the above locations was equivalent to the maximum daily reservation rate for the California rate zone.² As such, Conoco was entitled to a higher scheduling priority for this alternate transportation.³ Each of these rate adjustments was timely posted to EPNG's EBB under "Transactional Reporting/Firm."

Because EPNG routinely receives and processes requests for rate adjustments using electronic transacting procedures (in accordance with Sections 4.4, 4.11, and 4.17 of the GT&C of its FERC Gas Tariff), these types of transactions are often effectuated quickly. In the case of the aforementioned Conoco transactions, EPNG did not timely identify the underlying TSA as a non-conforming, negotiated rate agreement thereby requiring that the newly granted rate adjustments be filed in accordance with Part 154 of the Commission's regulations and Section 4.18 of the GT&C of EPNG's FERC Gas Tariff. The terms of the amended Conoco transactions were, however, timely posted on EPNG's EBB under "Transactional Reporting/Firm" thereby providing notice and transparency to all shippers (and potential shippers) at the time the amended rates were effective. Given that some of these discounts remain in effect at present, EPNG is proposing to modify its tariff record for Exhibit B of Agreement No. FT3EA000-FT1EPNG to reflect such discounts.⁴

As a result of this oversight, EPNG has conducted additional training on the electronic granting of secondary discounts and the accompanying filing requirements if such electronic discounts are associated with negotiated rate and/or non-conforming TSAs.

² Conoco's underlying negotiated reservation rate was \$12.4709 per dekatherm per month (i.e., a daily rate of \$0.4100 per dekatherm). Consequently, this daily reservation rate plus the incremental transportation rate of \$0.0038 per dekatherm per day equate to a daily reservation rate of \$0.4138 per dekatherm (i.e., equivalent to the maximum daily reservation rate for the California delivery zone).

³ These discount requests are similar to the opportunity for a shipper paying a discounted rate to agree to pay a higher rate (up to the maximum applicable rate) to improve its scheduling priority for an alternate firm transaction. (See Section 6.7 of the General Terms and Conditions of EPNG's FERC Gas Tariff.)

⁴ See Part VII: Non-Conforming, Section 77.2 of EPNG's Tariff. EPNG is proposing to reflect on the tariff record the currently effective discounts (i.e., the discounts effective from August 9, 2018 through August 8, 2019) as of January 1, 2019. The effective date of January 1, 2019 is reflected given the overlapping nature of this instant filing with a separate filing in Docket No. RP19-510-000 (which includes the same tariff record) to notify the Commission of a recent point redesignation request on this same TSA. As a result, EPNG has not included a tariff record to reflect the discount in effect only from July 27, 2018 through August 31, 2018, as such discount is no longer in effect. However, should the Commission deem it appropriate to correct the past record for Agreement No. FT3EA000-FT1EPNG, EPNG will submit a tariff record detailing the discount as applicable to the identified alternate points.

Tariff Provisions

EPNG is submitting the following tariff record pursuant to 18 C.F.R. § 154.112(b) (2018) and Part 154, Subpart C of the Commission's regulations.

Part VII, Section 77.2⁵ is updated to reflect the currently effective secondary discount through August 8, 2019 applicable to certain alternate receipt and delivery combinations for Conoco's TSA.

Procedural Matters

Inasmuch as this filing is fully described herein, the statement of the nature, the reasons and the basis for the instant tariff filing required by 18 C.F.R. § 154.7(a)(6) (2018) of the Commission's regulations is omitted.

In accordance with the applicable provisions of Part 154 of the Commission's regulations, EPNG is submitting an eTariff XML filing package, which includes the following:

- a) a transmittal letter; and
- b) clean and marked versions of the tariff record in PDF format.

EPNG respectfully requests the Commission accept the tendered tariff record for filing and permit it to be effective January 1, 2019. As such, EPNG requests the Commission grant a waiver of the notice requirements found in 18 C.F.R. § 154.207 (2018) of the Commission's regulations and any other waivers necessary. With respect to any tariff provisions the Commission allows to go into effect without change, EPNG hereby moves to place the tendered tariff provisions in to effect at the end of the suspension period.

⁵ As shown in the attachments, EPNG is submitting Version 5.0.0 of the tariff record for Part VII, Section 77.2.

Correspondence and communications concerning this filing should be directed to:

Mr. Francisco Tarin
Director, Regulatory Affairs
El Paso Natural Gas Company, L.L.C.
Post Office Box 1087
Colorado Springs, CO 80944
Telephone: (719) 667-7517
EPNGRegulatoryAffairs@kindermorgan.com

Mr. David K. Dewey
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Post Office Box 1087
Colorado Springs, CO 80944
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EPNGLegalFERC@kindermorgan.com

These persons have been designated for service in accordance with Rule 203 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.203 (2018)).

The undersigned hereby certifies that he has read this filing and knows (i) the contents of such filing and the attachments; (ii) that the contents as stated in the filing and in the attachments are true to the best of his knowledge and belief; and (iii) that he possesses full power and authority to sign this filing.

Respectfully submitted,

EL PASO NATURAL GAS COMPANY, L.L.C.

By _____/s/_____
William D. Wible
Vice President, Regulatory

Enclosures

Certificate of Service

I hereby certify that I have this day caused a copy of the foregoing document to be served upon all shippers on EPNG's pipeline system and interested state regulatory commissions, in accordance with the requirements of Sections 154.208 and 385.2010 of the Commission's Rules of Practice and Procedures.

Dated at Colorado Springs, Colorado as of this 31st day of December 2018.

/s/

William D. Wible

Post Office Box 1087
Colorado Springs, CO 80944
(719) 520-3778

Clean Tariff Section

Agreement No. FT3EA000-FT1EPNG

EXHIBIT B
 To The
 Transportation Service Agreement
 between
 El Paso Natural Gas Company, L.L.C.
 and ConocoPhillips Company (Shipper)
 Dated: January 1, 2019

Primary Receipt Point(s)	Primary Delivery Point(s)	Effective Dates	Reservation Rate 1/	Usage Rate 1/	Fuel 2/	Surcharges 3/
As listed in Exhibit A	As listed in Exhibit A	January 1, 2019 – October 31, 2025	(1a)			

Primary and Alternate Receipt Point(s) / Location(s)	Point Identification Number (PIN)	Primary and Alternate Delivery Point(s) / Location(s)	Point Identification Number (PIN)	Effective Dates	Reservation Rate 1/	Maximum Quantity - D-Code (dth/d)	Usage Rate 1/	Authorized Overrun Rate 1/	Fuel 2/	Surcharges 3/
STML SJN STML ANA STML PER	302347 302344 302346	All Delivery points available on the EPNG mainline system as of April 1, 2015	-	January 1, 2019 – October 31, 2025	(1a)					
STML SJN STML ANA STML PER	302347 302344 302346	TEXSYCMR SFEMIDW CHE17Z CHETAFT MOBSMID UPCHINA DESKFRNT SHLMTPS CHERACTK DESMCKIT ARCCRKSP SHLSEKN SFEKR SHLNKERN ARCOXFRD	332535 332525 332510 332513 332523 332537 332518 332527 332512 332519 332507 332529 332524 332528 332508 332522	January 1, 2019 – October 31, 2025	(1a)					

		MOBNMID B&CBORON EDICLWTR TEXMMSET MOB17Z SHL17Z TEX17Z CHEKR DESBMTN TEHCWD OXY17Z MCPHRMTP TXGRAPE LAPALOMA SUNRISE SIDEWDR PA STORIA DAGMOJ POSOCREK FORDCTYD DFAIRFLD	332509 332520 332534 332521 332526 332533 332511 332517 332532 332542 332541 332544 302144 332552 332555 332553 332569 332575 800905 800904							
STML ANA STML SJN STML PER	216823 216822 216824	SOCWR KRAMER	332531 332554	January 1, 2019 – August 8, 2019	(1a) (1c)					
STML ANA STML SJN STML PER	216823 216822 216824	SOCWR KRAMER	332531 332554	August 9, 2019 - October 31, 2025	(1a)					
STML ANA STML SJN STML PER	302347 302344 302346	DSCALEHR DSCALTOP DMOJAVE DPG&ETOP	301016 332503 332505 314604	January 1, 2019 – October 31, 2025		100,000		(1b)	-	-
STML ANA STML SJN STML PER	216823 216822 216824	IBLYTHE INORBAJA	314980 301693	January 1, 2019 – August 8, 2019	(1a) (1c)					
STML ANA STML SJN STML PER	216823 216822 216824	IBLYTHE INORBAJA	314980 301693	August 9, 2019 – October 31, 2025	(1a)					

- 1/ Unless otherwise agreed by the Parties in writing, the rates for service shall be Transporter's maximum rates, as may be changed from time to time, for service under Rate Schedule FT-1 or other superseding Rate Schedules. The reservation rate shall be payable regardless of quantities transported.
 - 1a - As provided in Section 4.18 of the GT&C of Transporter's Tariff, the parties agree to the following negotiated rate(s) of \$12.4709 stated as a monthly rate per Dekatherm. Notwithstanding Paragraph 13 of this Agreement, this negotiated reservation rate shall remain unchanged for the term of this Agreement.
 - 1b - As provided in Section 4.17 of the GT&C of Transporter's Tariff, the parties agree to the following discount rate(s) of \$0.1500 per Dekatherm shall apply to Daily Authorized Overrun quantities up to a sum total of 100,000 Dth per Day for all specified point combinations as stated in the "Maximum Quantity" column. The rate(s) charged under this Agreement shall not be less than the minimum, nor greater than the maximum rate provided in Transporter's Tariff.
 - 1c - As provided in Section 4.17 of the GT&C of Transporter's Tariff, the parties agree to the following discount rate(s) of \$0.0038 per Dekatherm per Day in addition to the monthly rate set forth in Footnote (1a). The rate(s) charged under this Agreement shall not be less than the minimum, nor greater than the maximum rate provided in Transporter's Tariff.
- 2/ Fuel and L&U shall be as stated on Transporter's Statement of Rates in the Tariff, as they may be changed from time to time, unless otherwise agreed between the Parties.
- 3/ Surcharges, if applicable: Unless otherwise specified, all applicable surcharges shall be the maximum surcharge rate as stated on the Statement of Rates, as they may be changed from time to time.

ACA:

The ACA Surcharge shall be assessed pursuant to Section 17 of the GT&C of the Tariff.

Marked Tariff Section

Agreement No. FT3EA000-FT1EPNG

EXHIBIT B
 To The
 Transportation Service Agreement
 between
 El Paso Natural Gas Company, L.L.C.
 and ConocoPhillips Company (Shipper)
 Dated: ~~December 26~~ January 1, 2019~~98~~

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